

# Exhibit H

**SUMMARY PLAN DESCRIPTION**  
**ADVANTA CORP.**  
**EMPLOYEE SAVINGS PLAN**

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS  
COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933**

**Summary Prepared June 2009**

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## **I. INTRODUCTION**

### **A. TYPE OF PLAN**

Advanta Corp. maintains a 401(k) plan for the benefit of its employees. The plan is named the Advanta Corp. Employee Savings Plan, but it will be referred to in this summary as the “Plan”. The Plan is a cash or deferred arrangement, which means that once you’re eligible for contributions under the Plan, you can contribute your own money to the Plan on a tax deferred basis through payroll deduction instead of receiving this money in your paycheck as taxable compensation. Advanta Corp. amended the Plan as of October 1, 2008.

### **B. PLAN SPONSOR**

Advanta Corp. is the sponsor of the Plan and will sometimes be referred to in this summary as the “Company,” “Sponsoring Employer,” the “Employer,” “we,” “us” or “our.” Our address is Welsh and McKean Roads, P.O. Box 844, Spring House, PA 19471-0844; our telephone number is (877) 471-6175; and our employer identification number is 23 1462070. Advanta Bank Corp., Advanta Bank, Advanta Life Insurance Company, Advanta International Corporation and Advanta Shared Services Corp. have also adopted this Plan as Adopting Employers for the benefit of any of their employees who are eligible to participate. Any reference to the Employer in this summary will generally be a reference to any Adopting Employer.

### **C. PURPOSE OF THIS SUMMARY**

This booklet is called a Summary Plan Description (“SPD”) and it is meant to describe highlights of the Plan in understandable language. It is not, however, meant to be a complete description of the Plan, nor is it meant to interpret, extend or change the provisions of the Plan in any way. If there is a conflict between this SPD and the Plan, the provisions of the Plan control your right to benefits. A copy of the Plan and related documents are on file with the Plan Administrator and you can read them at any reasonable time. Also, no provision of the Plan or this SPD is intended to give you the right to continued employment or to prohibit changes in the terms or conditions of your employment. If you have any questions that are not addressed in this summary, you can contact the Plan Administrator during normal business hours (Eastern Standard Time (“EST”)).

### **D. WHO TO CONTACT FOR ACCOUNT QUESTIONS**

Schwab Retirement Plan Services, Inc. (“Schwab”) is the Plan recordkeeper. Schwab representatives are available at (800) 724-7526 Monday through Friday, 7:00 a.m.-11:00 p.m. EST if you have questions about your Account (as defined below).

#### **E. ACCOUNT ACCESS**

You can check balances, request investment information, choose investments, change how much you defer to the Plan through payroll, request a loan, and more at the Schwab Retirement Plan Hotline (800-724-7526) or on the Schwab Website ([www.schwabplan.com](http://www.schwabplan.com)).

### **II. PLAN ADMINISTRATION**

#### **A. PLAN TRUSTEE**

The Plan is administered under a written plan and trust agreement, and the trustee of that agreement is responsible for trusteeing the Plan's assets. The trustee is Charles Schwab Trust Company, a Division of Charles Schwab Bank. The trustee can be contacted at 215 Fremont Street; 6th Floor, San Francisco, CA 94195. The trustee is a directed trustee, which means that the trustee invests the assets of the Plan as instructed by us, by an investment manager (if we have appointed one), or by a Plan participant.

#### **B. PLAN ADMINISTRATOR**

All matters, other than investments, that concern the operation of the Plan are the responsibility of the Plan Administrator. The Plan Administrator is Advanta Corp. whose address is Advanta Corp., Human Resources Dept., Welsh and McKean Roads, P.O. Box 844, Spring House, PA 19477-0844, and whose telephone number is (877) 471-6175. The Plan Administrator has the power and discretionary authority to interpret the terms of the Plan based on the Plan document and existing laws and regulations as well as the power to determine all questions that arise under the Plan. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an Employee's eligibility for benefits, credited service, disability and retirement, or to interpret any other term contained in the Plan and related documents. The Plan Administrator's interpretations and determinations are binding on all Plan participants, employees, former employees, and their beneficiaries.

#### **C. PLAN NUMBER**

For identification purposes, we have assigned number 001 to the Plan.

#### **D. SERVICE OF LEGAL PROCESS**

If you have to bring legal action against the Plan for any reason, legal process can be served on the Director of Compensation and Benefits at Advanta Corp., Human Resources Dept., Welsh and McKean Roads, P.O. Box 844, Spring House, PA 19477-0844. Legal process can also be served on the trustee or on the Plan Administrator.

### **III. GENERAL PLAN DEFINITIONS**

Many definitions are used in this SPD and most are defined in the section where they appear, but the following terms have broader application and are used throughout this SPD:



#### A. ACCOUNT

Your Account represents the aggregate value of the various contributions made to the Plan on your behalf, as well as the net earnings on those contributions. Your Account includes (but is not limited to) the following sub-accounts:

- Your 401(k) Contribution Account;
- Your ADP Safe Harbor Matching Contribution Account;
- Your Non-Safe Harbor Matching Contribution Account; and
- Your Rollover Contributions Account

#### B. ACP TEST

The ACP Test is a nondiscrimination test applied annually to the Matching Contributions made to the Plan. This test compares the Matching Contributions made on behalf of certain Plan participants who are "highly compensated" employees (HCEs) to the amount of Matching Contributions made on behalf of non-HCEs. Depending upon the results of the test, shortly after the end of each Plan Year, the Plan Administrator may have to refund to certain HCEs a portion of their Matching Contributions. You will be notified by the Plan Administrator if any of your Matching Contributions have to be refunded. The ACP test does not apply to ADP Safe Harbor Matching Contributions. Please see Section "ADP Safe Harbor Matching Contributions" for more information.

#### C. ADP TEST

The ADP Test is a nondiscrimination test applied annually to the 401(k) Contributions made to the Plan. This test compares the 401(k) Contributions made by certain Plan participants who are "highly compensated" employees (HCEs) to the amount of 401(k) Contributions made by non-HCEs. The ADP Test is intended to ensure a fair level of participation by all Plan participants regardless of Compensation levels. Depending upon the results of the test, shortly after the end of each Plan Year, the Plan Administrator may have to refund to certain HCEs a portion of their 401(k) Contributions. You will be notified by the Plan Administrator if any of your 401(k) Contributions have to be refunded. Note that this test is not applicable if we made ADP Safe Harbor Matching Contributions, as explained in Section VI.

#### D. ALLOCATION PERIOD

The Allocation Period is the period of time for which a contribution to the Plan is allocated. The Allocation Period is generally the Plan Year, but to the extent contributions are made more frequently than annually they will be allocated based on the Compensation earned during this shorter Allocation Period.

#### E. DISABILITY

Disability is a physical or mental impairment you suffer after you become a Plan participant (and while you are still an employee) which, in the opinion of a physician acceptable to the Plan Administrator, totally and permanently prevents you from engaging in any occupation

for pay or profit. If a difference of opinion arises between you and the Plan Administrator as to whether you have suffered a Disability, it will be settled by a majority decision of three physicians, one to be appointed by the Plan Administrator, one to be appointed by you, and the third to be appointed by the first two physicians.

#### F. HOUR OF SERVICE

An Hour of Service is any hour for which you have a right to be paid by us or an Adopting Employer for the performance of duties.

#### G. MATCHING CONTRIBUTION

A Matching Contribution is a contribution we make to the Plan which matches some portion (or all) of the 401(k) Contributions you make to the Plan. Matching Contributions can be Safe Harbor Matching Contributions, Non-Safe Harbor Matching Contributions, or both. Please see Section V for more information about available Matching Contributions.

#### H. NORMAL RETIREMENT AGE

Normal Retirement Age is the date you reach age 65.

#### I. PERIOD OF SERVICE

A Period of Service is a period of time used to determine your eligibility to participate in the Plan and to determine your Vested Interest in your Account. In general, a Period of Service begins on your date of hire and ends on the date you terminate employment, but in actually determining your eligibility and Vested Interest, smaller portions of your Period of Service (for example, a 1-year Period of Service or a 6-month Period of Service) will be used by the Plan, the rules for determining your Period of Service are much more complex than what is described in this paragraph, especially the rules that apply if you terminate employment and are subsequently rehired. For more information regarding these rules, you can check with the Plan Administrator.

#### J. PLAN YEAR

The Plan Year is the 12-month accounting year of the Plan, and it begins each January 1st and ends the following December 31st.

#### K. VESTED BALANCE

Your Vested Balance is the percentage of your Account to which you are entitled at any point in time. You have a one-hundred percent (100%) Vested Balance in all types of contributions made to your Account. The different types of contributions that may be made to your Account are discussed below in the "Plan Contributions" section below.

#### IV. PLAN CONTRIBUTIONS

There are different types of contributions that may be made to your Account. These currently include 401(k) Contributions; ADP Safe Harbor Matching Contributions; Non-Safe Harbor Matching Contributions and Rollover Contributions. Rollover Contributions are discussed in more detail in Section X. You make 401(k) and Rollover Contributions to your Account. Matching Contributions, if any, are made by us. Please read the following for a description of how you become a Plan participant for purposes of 401(k), ADP Safe Harbor Matching and Non-Safe Harbor Matching Contributions and what constitutes your Compensation on which these contributions are based.

##### A. HOW YOU BECOME A PLAN PARTICIPANT

To become a Plan participant for purposes of 401(k), ADP Safe Harbor Matching Contributions, and Non-Safe Harbor Matching Contributions, you must satisfy the following criteria (described in more detail below): (a) you must be an Eligible Employee; (b) you must satisfy the age requirement and the service requirement (and all service with us and with Advanta Bank Corp., Advanta Bank, Advanta Life Insurance Company, Advanta International Corporation and Advanta Shared Services Corp. will be counted for this purpose); and (c) you must be employed by us on the applicable entry date.

- **ELIGIBLE EMPLOYEES.** All employees who are reported on the payroll records of Advanta Corp. or another Adopting Employer are eligible for the Plan as “Eligible Employees” except for the following ineligible classes of employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining; (b) employees who are non-resident aliens who do not receive earned income from us which constitutes income from sources within the United States; (c) independent contractors; (d) anyone who becomes an employee as the result of a merger or other acquisition; (e) employees who are employed by an affiliated employer which does not adopt this Plan; (f) leased employees; and (g) employees who select a union are ineligible for the period between the selection and the date the first collective bargaining agreement applies.
- **AGE REQUIREMENT.** You must be at least 21 years of age.
- **SERVICE REQUIREMENT.** You must be credited with at least a 6-month Period of Service.
- **ENTRY DATE.** You will enter the Plan and be able to make and be eligible for contributions on the first day of the payroll period following the date that you first satisfy both the age and the service requirements.

##### B. HOW YOUR COMPENSATION IS DETERMINED

In general, contributions may be made or are based on your “Compensation,” which means the total pay you receive from us, not including the following items upon which contributions may not be made or based: (1) reimbursements or other expense allowances,

(2) fringe benefits (cash and non-cash), (3) moving expenses, (4) deferred compensation, (5) welfare benefits, (6) post-severance compensation, (7) bonuses, (8) commissions, (9) adjustments to salary and allowances paid due to international service, (10) overtime paid for work in excess of 40 hours per week, (11) compensation deferred to or amounts distributed under nonqualified plans, and (12) severance benefit payments.

## **V. 401(K) CONTRIBUTIONS**

### **A. HOW THESE CONTRIBUTIONS ARE DETERMINED**

You may choose to have a portion of your Compensation contributed to the Plan in the form of a 401(k) Contribution. You can contribute up to 75% of your Compensation, but the amount you contribute cannot exceed the annual dollar limit on 401(k) Contributions, which is \$16,500 for 2009. This limit may be adjusted periodically, by law, to account for inflation. 401(k) Contributions are allocated to your 401(k) Contribution Account.

If you are a “catch-up eligible” Plan participant, you can make additional “catch-up contributions” to the Plan in excess of the limits on 401(k) Contributions described above. You are a catch-up eligible Plan participant for any calendar year in which you have reached (or will reach) at least age 50 by the end of that calendar year. The catch-up contribution limit is \$5,500 for 2009, but this dollar amount is adjusted periodically by law to account for inflation.

### **B. SALARY DEFERRAL AGREEMENTS**

You must enter into a deferral agreement with the Administrator before you can begin making 401(k) Contributions to the Plan. The deferral agreement is where you indicate the amount you want withheld from your Compensation and contributed to the Plan. You can elect to contribute a percentage of your Compensation. After your initial election, you can change it at any time subject to Plan trading restrictions which may apply from time to time. Your Administrator provides you with the electronic means through which you can enter into and change your 401(k) deferral agreement. The Administrator from time to time will establish additional procedures for making deferral elections.

You can make tax-deferred contributions from 1% to 75% of your regular compensation in whole percentages. You may begin contributing to the Plan immediately after meeting the eligibility requirements. You can change your contribution rate at any time by calling the Schwab Retirement Plan Hotline (1-800-724-7526) or by visiting the Schwab Website ([schwabplan.com](http://schwabplan.com)).

The Plan Administrator can temporarily suspend your deferral agreement if you reach the maximum amount that is permitted by law or the Plan, or if the Plan Administrator believes the Plan may fail the ADP Test. You will be notified if your deferral agreement is temporarily suspended.

## **VI. ADP SAFE HARBOR MATCHING CONTRIBUTIONS**

### **A. HOW THE CONTRIBUTION IS DETERMINED**

Effective January 1, 2009, we can automatically satisfy the ADP Test by making ADP Safe Harbor Matching Contributions to the Plan. For each Plan Year in which we elect to make this type of contribution, it will be an amount equal to 100% of each eligible Plan participant's 401(k) Contributions (including "catch-up contributions") that do not exceed 4% of his or her Compensation for the Plan Year. You will be notified before the beginning of each Plan Year for which we intend to make this type of contribution. We have elected to make these contributions for the Plan Year beginning January 1, 2009. Please see **Appendix A** for more detailed information about these 2009 contributions.

### **B. HOW YOU QUALIFY FOR A CONTRIBUTION**

Once you become a Plan participant by meeting the requirements set forth earlier in Section IV, Subsection A. and have made 401(k) Contributions to the Plan, you will be eligible to receive an ADP Safe Harbor Matching Contribution for any Plan Year for which we elect to make this contribution provided you have made 401(k) Contributions to the Plan at any time during that Plan Year. ADP Safe Harbor Matching Contributions are allocated to your ADP Safe Harbor Matching Contribution Account.

## **VII. NON-SAFE HARBOR MATCHING CONTRIBUTIONS**

### **A. HOW THE CONTRIBUTION IS DETERMINED**

We may also make Non-Safe Harbor Matching Contributions to the Plan. These contributions are not required, and whether or not we choose to make them is entirely within our discretion. If we do make this type of contribution, the formula, the amount of the contribution, and the frequency of the contribution will also be determined at our discretion.

### **B. HOW YOU QUALIFY FOR A CONTRIBUTION ALLOCATION**

Once you become a Plan participant by meeting the requirements set forth earlier in Section IV, Subsection A. and have enrolled in the Plan, you will be eligible to receive a Non-Safe Harbor Matching Contribution for any Plan Year for which we elect to make this contribution provided you are also eligible to make 401(k) Contributions to the Plan at any time during that Plan Year. Non-Safe Harbor Matching Contributions are allocated to your ADP Safe Harbor Matching Contribution Account.

## VIII. TOP HEAVY REQUIREMENTS

Under certain circumstances, you may be entitled to a minimum allocation for any Plan Year in which the Plan is considered “top heavy.” The Plan is considered top heavy for any Plan Year in which more than 60% of Plan assets are allocated to the Accounts of Plan participants who are “key” employees (that is, employees who satisfy certain ownership requirements and employees who are officers and whose Compensation for the Plan Year exceeds certain IRS limits). However the Plan automatically satisfies this requirement in any Plan Year for which we make a contribution on your behalf to another qualified retirement plan (if any) that we sponsor.

If the Plan is not exempt from the top-heavy requirements, then for each Plan Year in which the Plan is considered top heavy and in which you are a “non-key” employee who is employed by us on the last day of the Plan Year, you will receive a minimum allocation equal to the lesser of 3% of your Compensation, or the highest percentage of Compensation allocated for that Plan Year to the Accounts of Plan participants who are key employees.

## IX. MAXIMUM ALLOCATION LIMITATION

The amount of contributions and forfeitures that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual dollar limit, which is \$49,000 for 2009. The annual dollar limit may be adjusted periodically by law to account for inflation. However, this limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions (as described below) you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan.

## X. ROLLOVER CONTRIBUTIONS

In addition to the types of contributions outlined above, you may also make Rollover Contributions to the Plan if you participated in another eligible retirement or annuity plan or you have an individual retirement account (IRA). Unlike other contribution types, you can make Rollover Contributions to the Plan prior to becoming eligible to participate in other contributions so long as you are an “Eligible Employee” under the Plan and all legal requirements (and any requirements imposed by the Plan Administrator) on such rollovers are satisfied. **Do not withdraw funds from any other plan or account until you have received written approval from the Plan Administrator to roll those funds into this Plan.** If you do decide to make a Rollover Contribution and it is accepted by the Plan Administrator, it will be kept in a separate account (“Rollover Account”) established on your behalf.

Specifically, if you are an Eligible Employee, you may roll over amounts from the following sources:

- qualified plans, excluding after-tax contributions;
- 403(b) annuity plans, excluding after-tax contributions;



- governmental plans (Code Sec. 457 plans); and
- Individual Retirement Accounts (IRAs) and individual retirement annuities.

## **XI. DISTRIBUTION OF BENEFITS**

A distribution can be made to you from your Account if you request one due to your disability, retirement, or termination of employment from Advanta Corp. or an Adopting Employer.

In most instances, you may defer receipt of your distribution until a later date. However, you cannot postpone it if your Account is \$1,000 or less in which case the Plan Administrator will direct the Plan Trustee to distribute it to you as a lump sum distribution if you do not otherwise direct how you would like us to distribute your Account. If your Account exceeds \$1,000, you may delay your distribution until you are required by law to receive minimum required distributions (age 70½). You will have a continuing election to request a distribution if you elect to postpone your distribution unless you are re-employed by Advanta Corp. or any Adopting Employer. The value of your Account will continue to increase or decrease, as appropriate, based on the investment returns until it is distributed. Your written consent will be required for any distribution if your Account is greater than \$1,000.

You should consult with your tax advisor to determine the financial impact of your situation before you request a distribution. You may apply for a distribution by using the Schwab Website ([www.schwabplan.com](http://www.schwabplan.com)) or by calling the Schwab Hotline (800-724-7526). Most distributions have been pre-approved by the Plan Administrator.

### **A. DISTRIBUTABLE EVENTS**

You are eligible to request a distribution of your Account based on any of the following events in connection with a termination of employment:

#### **1. Death**

If you are a Plan participant and die, your Account, if any, will be paid to your designated beneficiary or beneficiaries. You may designate a beneficiary or beneficiaries on a designation form that must be properly signed and filed with the Plan Administrator. If you are married and want to designate someone other than your spouse as your primary beneficiary, your spouse must consent to this designation by signing the form. His/her signature must be witnessed by a Plan representative or a notary public. You should contact the Plan Administrator or the Schwab Retirement Plan Hotline (800-724-7526) or the Schwab Website at ([www.schwabplan.com](http://www.schwabplan.com)) to obtain a designation of beneficiary form.

Your Account will be distributed to your beneficiary as soon as administratively feasible after your death. If you are not married, you can name anyone to be your beneficiary. If you are married, your spouse by law is your beneficiary unless he or she waives the death benefit in writing. Your Vested Interest will be distributed to your beneficiary in a lump sum. If your death occurs before the date that minimum distributions must begin (as

described in the preceding section), the distribution of your Account to your beneficiary must be made within certain legal timeframes which are dependent upon several factors, including (a) whether you have a designated beneficiary, (b) your relationship to the beneficiary (spousal or non-spousal beneficiary) and (c) certain elections that your beneficiary may make after your death. However, if your death occurs after the date that minimum distributions must begin, the minimum death benefit that must be paid to your beneficiary each year after your death is based on the longer of your remaining life expectancy (had you survived) or the remaining life expectancy of your beneficiary. Your beneficiary may also choose to accelerate the payment rate. Please contact the Plan Administrator for more information regarding payments to beneficiaries.

Any death benefit received by your spouse can be rolled over to an IRA. Since October 1, 2008, a non-spouse beneficiary has been permitted to establish a special IRA (an "Inherited IRA") that can receive a direct rollover of all (except for any required minimum distributions) or a portion of a death benefit that would be distributed upon your death from the Plan to that non-spouse beneficiary.

Certain portions of a death benefit may not be eligible to be rolled over from the Plan into an Inherited IRA. If you (a deceased Plan participant) needed to take a required minimum distribution in the year of your death (but you have not yet taken that required minimum distribution), then that required minimum distribution cannot be rolled over from the Plan into an Inherited IRA. Similarly, if the non-spouse beneficiary needs to take any required minimum distribution from the Plan for the year in which the direct rollover occurs (or any prior year), then the non-spouse beneficiary cannot rollover that required minimum distribution into an Inherited IRA.

If the non-spouse beneficiary elects to roll over the death benefit into an Inherited IRA, then the Inherited IRA will be subject to required minimum distributions rules. You should inform your non-spouse beneficiary that (a) he or she is designated to receive your death benefit, and (b) your death benefit can be rolled over to an Inherited IRA. The non-spouse beneficiary should discuss any planning issues and tax consequences with their professional tax advisor with respect to a direct rollover of your death benefit into an Inherited IRA.



2. Disability

If you have a disability while you are employed by Advanta Corp. or an Adopting Employer and you terminate your employment with Advanta Corp. or an Adopting Employer, the full value of your Account may be distributed to you upon request.

3. Retirement

If you do not attain age 65 while you are employed by Advanta Corp. or an Adopting Employer, the full value of your Account may be distributed to you upon your request. You do not have to terminate your employment with your Employer to receive a distribution of your Account just because you attain your Normal Retirement Age of 65.

4. Minimum Required Distributions

You are required by law to receive a minimum required distribution from the Plan, unless you are a five percent owner of Advanta Corp. or an Adopting Employer, no later than April 1 of the calendar year following the calendar year you turn 70½ or terminate your employment, whichever is later. If you are a five percent owner of Advanta Corp. or an Adopting Employer, you must start receiving your distribution no later than April 1 of the calendar year following the calendar year you turn 70½. Once you start receiving your minimum required distribution, you must receive it at least annually and you must complete the appropriate documentation each year until all assets in your Account are distributed. If you have any questions about your minimum required distributions, please contact your Plan Administrator.

5. Termination of Employment

If you terminate your employment with Advanta Corp. and any Adopting Employer, the full value of your account may be distributed to you upon request or you may directly roll over your Account balance to an eligible retirement plan or IRA.

## **XII. LOANS TO PLAN PARTICIPANTS**

You are permitted to borrow from the Plan using an electronic authorization system available via the Schwab Hotline (800-724-7256) or the Schwab Website ([www.schwabplan.com](http://www.schwabplan.com)). Loans will be made only to actively employed Plan participants in accordance with the Loan Policy established by the Plan Administrator. Your Vested Interest is used as security for the loan.

Loans will be made pursuant to the following terms:

- You may have a maximum of 2 loans outstanding at any time;
- The minimum amount of a loan is \$1,000;
- The maximum amount of the loan is generally the lesser of 50% of your Account or \$50,000 (reduced by the excess of your highest outstanding loan balance

during the prior 1 year period over the outstanding loan balance as of the day the loan is made);

- The loan term may not exceed 5 years, except that any loan used to purchase your principal residence may be repaid over a 15 year period; and
- Loans are available from the vested portion of all of your Accounts.

You will be charged a reasonable rate of interest on any loan that you take from the Plan. Loan proceeds are generally taken pro rata from investment funds in which your Account is invested. All payments of principal and interest that you make on a loan will be credited to your Account. Loan payments generally must be made through payroll deduction. If you fail to make payments when they are due under the loan terms, you will be considered to be in "default." A "default" will occur on the earlier of: distribution of your Account under the Plan; termination of employment; or 90 days after your Notice of Benefits Eligibility attributable to your termination of employment or to your death. A loan in default may be treated as a distribution from the Plan, thus resulting in taxable income to you. In any event, your failure to repay a loan will reduce the benefit that you would otherwise be entitled to from the Plan.

Note that if you have an unpaid leave of absence or go on military leave while you have an outstanding loan, you may qualify for a suspension of loan payments.

Upon termination of employment, all loans will immediately become due and payable. If a loan is not repaid within a reasonable time following termination, it will be offset against your Account Balance.

The Plan Administrator may periodically revise the Plan's Loan Policy. For further details on Plan loans, you may request a copy of the Loan Policy from the Plan Administrator.

### **XIII. WITHDRAWALS WHILE YOU ARE EMPLOYED**

The Plan has been established to help you save for your retirement on a tax-effective basis. Therefore, you should not regard it as a short-term savings account. There are restrictions on the amount you can withdraw from your Account while you are still working for us. These restrictions are imposed by the government and vary according to the type of contribution. For example, your 401(k) Contributions and Rollover Contributions are available for withdrawal before age 59½ only in hardship situations.

#### **A. WITHDRAWAL OPTIONS DURING EMPLOYMENT**

In keeping with government restrictions, the Plan allows for two different types of withdrawals, hardship withdrawals and age 59½ withdrawals, each as described below.

You may choose to withdraw a specific dollar amount or the maximum amount available under a particular option. Please contact Schwab by using the Schwab Website ([www.schwabplan.com](http://www.schwabplan.com)) or by calling the Schwab Retirement Plan Hotline (800-724-7526) to determine the amount available under each option and to request withdrawal application

materials. Withdrawal requests are processed daily, Monday through Friday. Any outstanding loans will reduce your available withdrawal amount. All withdrawals will be payable in cash.

#### B. FEDERAL INCOME TAX CONSEQUENCES ON WITHDRAWALS FROM THE PLAN DURING EMPLOYMENT

Federal law requires that federal income tax be withheld from the taxable amount of your withdrawal. You will be taxed on all amounts withdrawn. In addition to regular income taxes, you may be subject to a 10% penalty tax on the taxable portion of the amount withdrawn. These taxes will not apply if you are at least age 59½.

#### C. HARDSHIP WITHDRAWALS

You can make hardship withdrawals only if you are faced with a “financial hardship” and have obtained all distributions other than hardship distributions and all non-taxable loans currently available under all plans maintained by us. Any money available from the Rollover Contributions Account will automatically be withdrawn first. Then, contributions will be withdrawn from your 401(k) Contributions Account. However, the following portions of your Account are not available for a hardship withdrawal: all contributions made by us and any earnings thereon, and earnings on 401(k) Contributions deposited to your 401(k) Contributions Account after 1988.

As long as you are an employee, you can take a distribution to pay for a financial hardship. We follow specific rules set by the IRS for determining financial hardship. The IRS considers a financial hardship to exist if you have an “immediate and heavy” financial need that cannot be met by other income sources. Expenses considered immediate and heavy are:

- Expenses for (or necessary to obtain) medical care that would be tax deductible (without regard to whether the expenses exceed 7.5% of your adjusted gross income);
- Costs related to the purchase of your principal residence (excluding mortgage payments);
- Payments necessary to prevent eviction from your principal residence or to prevent foreclosure on the mortgage of your principal residence;
- Tuition, related educational fees and room and board for up to the next 12 months of postsecondary education for you, your spouse, your children, or other eligible dependents;
- Funeral expenses for your deceased parent, spouse, children, or eligible dependents; or

- Expenses for repair of damage to your principal residence that would qualify for a casualty deduction (without regard to whether the loss exceeds 10% of your adjusted gross income).

When you request a hardship withdrawal, you will need to submit documentation of your financial hardship. Depending on your hardship, this might include a foreclosure notice, a tuition bill, a copy of the agreement of sale or a health care provider's bill and the appropriate explanation of benefits from the insurance company. The Plan Administrator will then review your withdrawal request based on the criteria outlined above, request any additional information from you, if necessary, and decide whether you qualify for a hardship withdrawal.

You can only receive a hardship distribution from your 401(k) Contributions (excluding post-1988 earnings) and your Rollover Account. In addition, you cannot make any 401(k) Contributions for 6 months after you take a hardship distribution.

Effective October 1, 2008, your primary beneficiary may request a hardship withdrawal relating to medical, tuition and funeral expenses. For purposes of hardship withdrawals, your primary beneficiary is the individual(s) who is named and designated as a beneficiary under the terms of the Plan and who has an unconditional right to all or a portion of your account upon your death.

#### D. CONSEQUENCES OF A HARDSHIP WITHDRAWAL

If your request for a hardship withdrawal is approved, the Plan must impose several restrictions to comply with IRS regulations:

- First, you cannot withdraw more than the dollar amount that is needed to meet the hardship. (The amount of the hardship withdrawal may include the amount necessary to pay the taxes on the withdrawal.)
- You cannot make 401(k) Contributions to the Plan for 6 months following the hardship withdrawal. The Plan Administrator will contact you prior to the expiration of the 6 month period regarding recommencement of your 401(k) Contributions. If you do not elect to recommence your 401(k) Contributions in accordance with the directions provided by the Plan Administrator, your 401(k) Contributions will not recommence at the end of this 6 month period.

If your request is denied, you may file a claim in accordance with the section of this SPD entitled "Claims Procedures".

Your hardship withdrawal is not eligible for rollover.

#### E. AGE 59½ WITHDRAWALS

As long as you are an employee and have reached age 59½, you can take a distribution of all or a portion of the following accounts in order of priority: (1) Rollover Accounts, (2)

401(k) Contribution Accounts, and (3) ADP Safe Harbor and Non-Safe Harbor Matching Contribution Accounts.

When you reach age 59½, you will have access to your Account without restriction or penalty. If you elect this type of withdrawal, money will be taken from your Account in the following order:

- Rollover Contributions and related earnings;
- 401(k) Contributions and related earnings; and
- ADP Safe Harbor and Non-Safe Harbor Matching Contributions and related earnings.

If contributions are invested in more than one investment category, the withdrawal amount will be taken from each category proportionately within each contribution category.

**Please consult with a tax advisor prior to your request for an age 59½ or hardship withdrawal.**

#### **XIV. INVESTMENT OF ACCOUNTS**

Subject to the Plan Investment Policy, a copy of which is located at **Appendix B** to this SPD, you can direct how all of your Account will be invested. You can choose from any investment options approved by us. You can switch between investments as often as is permitted under the investment options you choose, however, you may be subject to blackout periods under the Plan that could limit your ability to make transfers in or out of the Company Stock Fund. All earnings and losses on your directed investments will be credited directly to your Account. Investment results will reflect any fees and investment expenses for the investments you select. You may request more information on fees associated with an investment option from the Plan Administrator. A more detailed summary of Plan investment options is located at **Appendix C**.

When you become eligible to participate in the Plan, you will be given additional information about the investment categories available under the Plan, including an explanation of their investment objectives and policies. At least once a year, you will receive prospectuses and shareholder reports for the investment categories offered under the Plan. Investments in each of the investment categories will be subject to the terms contained in the applicable prospectuses, and will be made on the basis of the purchase price, or the method of determining the purchase price, of those investments as described therein, including the application of any applicable sales charges. Investments in the Company Stock (as defined below) will be made at the current market price of the Company Stock.

*We intend to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974. This means that if you are permitted to exercise independent control over the investment of your Account and you are offered a reasonably diverse selection of well managed investment options, then the fiduciaries of the Plan, including the Plan*

*Administrator and us, may be relieved of certain liabilities for any losses which occur because you exercise control.*

#### A. IMPORTANCE OF DIVERSIFICATION

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

Your investment options include an opportunity to invest in the Class B Common Stock of Advanta Corp. (the "Company Stock"). The investment option in which you may invest in Company Stock is referred to as the "Company Stock Fund." Making a non-diversified investment in a single stock carries more risk than investing in a diversified fund. Before you invest in Company Stock, you should be careful to review your total asset allocation strategy and assess the level of risk that is associated with all of your investment choices. Important information about the financial performance of Advanta Corp., which may affect the value of Company Stock, is generally disclosed in public earnings reports and our filings with the Securities and Exchange Commission (the "SEC"). Any information that is not generally available to the public, but known by certain employees of Advanta Corp. who are prohibited by law from disclosing this information, may not be used or disclosed with respect to any shares of Company Stock held by Plan participants. You may be prohibited by law from trading and investing in Company Stock if you become aware of "inside information." For more information about this, please see the Advanta Corp. policy on insider trading.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

You may access the Department of Labor's website at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html) to obtain other sources of information on individual investing and diversifications.

#### XV. YOUR INVESTMENT IN COMPANY STOCK

Because you are allowed to invest your 401(k) Contributions in Company Stock, the Plan was required to file a Registration Statement on Form S-8 under the Securities Act of 1933. The Plan previously registered 500,000 shares of Company Stock, which were automatically adjusted in connection with Advanta Corp.'s three-for-two stock split.

Certain Plan participants may also have existing investments in a fund containing the Class A Common Stock of Advanta Corp. This fund is no longer an investment option in the



Plan. Thus, Plan participants may only transfer out of this investment option; no new investments in it may be made.

#### A. DOCUMENTS INCORPORATED BY REFERENCE

As long as Company Stock is offered as an investment category under the Plan, the SEC requires the following documents to be incorporated by reference both in the Plan's S-8 Registration Statement and in the Prospectus, of which this SPD is a part, for the securities offered under the Plan and they are hereby incorporated by reference:

- Advanta Corp.'s latest annual report;
- the Plan's latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
- all other documents subsequently filed by Advanta Corp. pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934;
- the description of Advanta Corp. stock, including the Company Stock, that is contained in the Registration Statement on Form 8-A filed by Advanta Corp. to register such securities under Section 12 of the Securities Exchange Act of 1934, File No. 0-04120, including all amendments and reports filed for the purpose of updating such descriptions; and
- the description of Advanta Corp.'s Class B Purchase Rights contained in the Registration Statement on Form 8-A dated March 17, 1997, as amended by the Registration Statements on Form 8-A/A dated June 11, 1998 and September 23, 1998.

These documents are hereby incorporated by reference and are available to you without charge upon your written or oral request to: Advanta Corp., Welsh & McKean Roads, P.O. Box 844, Spring House, PA 19477, Attn: HR Benefit Inquiries or call 877-HR1-6175

#### B. DOCUMENTS CONSTITUTING THE PLAN'S PROSPECTUS

Taken together, the following listed items comprise the Plan's Prospectus:

- This SPD (including, but not limited to, the above listing of documents incorporated by reference);
- Advanta Corp.'s latest annual report on Form 10-K;
- the Plan's latest annual report on Form 11-K;
- Advanta Corp.'s quarterly reports on Form 10-Q filed after the date of its latest annual report on Form 10-K;

- Advanta Corp.'s current reports on Form 8-K filed after the date of its latest annual report on Form 10-K;
- the quarterly reports distributed by Advanta Corp. to Eligible Employees that describe the investment categories and financial data with respect to the performance of the investment categories available under the Plan for at least the past three fiscal years (or such lesser period for which data is available); and
- such reports, proxy statements and other communications distributed to the Advanta Corp.'s stockholders generally.

At the time the Plan Prospectus is delivered, Advanta Corp. will also provide you with its most recent annual report or annual report on Form 10-K. If the Plan Prospectus is delivered before the financial statements for the immediately preceding fiscal year are available, the Prospectus may be accompanied by the annual report or annual report on Form 10-K for the fiscal year prior to the immediately preceding fiscal year; in that case, Advanta Corp. will also provide updated financial statements for the immediately preceding fiscal year in accordance with applicable requirements established by the SEC. The reports, proxy statements and other communications that are distributed to Advanta Corp.'s other stockholders are required to be delivered to Plan participants no later than they are provided to other stockholders. Copies of all of these documents are available to you free of charge. To request any of these documents, please contact the Plan Administrator. See Section II for the Plan Administrator's address and telephone number.

#### C. USE OF THE PLAN'S PROSPECTUS

The Plan's Prospectus is for use only in connection with a Plan participant's purchase of Company Stock in accordance with the terms of the Plan. It is not intended for use in connection with any re-offer or resale of such Company Stock. Any such re-offer or resale must separately satisfy the regulations and registration requirements established by the SEC.

#### D. TRADING RESTRICTIONS AND REPORTING REQUIREMENTS

If you are an officer or director of Advanta Corp., the beneficial owner of more than 10% of the issued and outstanding shares of any class of Advanta Corp.'s stock, or an affiliate (as that term is defined by Rule 144 under the Securities Act of 1933), you should consult with a legal advisor who is familiar with the restrictions imposed on you under applicable federal securities laws (including in particular Section 16 of the Securities Exchange Act of 1934) prior to effecting the sale or transfer of any securities of the Company, including any stock purchased under the Plan.

In addition, even if you are not an officer or director of Advanta Corp., a beneficial owner more than 10% of the issued and outstanding shares of any class of Advanta Corp.'s stock, or an affiliate, the Advanta Corp. Code of Ethics prohibits you from using inside information in your securities trading activities, including activities in connection with the Plan. You should also be aware that federal and state law impose both civil and criminal penalties on those who buy or sell securities while in possession of material non-public information. *Again, if you have any question(s) relating to whether or not you may*



***legally sell or transfer shares held in your Account because you believe you may have “inside” information or for any other reason, please consult with your legal advisor.***

You also may not transfer or pledge your right to receive shares. You may purchase the shares in your name alone, or jointly with your spouse or any other person of legal age. There are no provisions under the Plan (or pursuant to any contract or arrangement in connection therewith) which give any person or entity a lien, or the right to create a lien, on the shares in your Account.

If you are required to file reports with the SEC pursuant to Section 16(a), then the number of shares of Advanta Corp. stock owned at the end of the period for which a report is filed should include any interest in shares held in the Company Stock Fund for your Account, based on the most recent statement you have received from the Plan. In addition, any sale of such shares must be reported on Form 4 or Form 5 in accordance with Section 16(a) and the rules thereunder.

Sales of shares held for the account of a Plan participant who is an affiliate of Advanta Corp. generally must be sold pursuant to Rule 144 unless the sale is registered under the Securities Act of 1933. We have not registered the shares for resale by or for the account of its affiliates and we do not currently intend to do so. Because the initial issuance of the shares to the Company Stock Fund has been registered, the holding period in Rule 144 will not be applicable to resales. However, an affiliate must still comply with Rule 144's other provisions.

All Plan participants are subject to Plan blackout periods. During a blackout period, no Plan participant may make buy or sell transfers, investment election changes, distributions (other than distributions in-kind for terminated employees), or lump sum loan repayments into the Company Stock Fund. We determine the dates of the Plan blackout periods.

#### **E. CONFIDENTIALITY PROCEDURES**

Information relating to the purchase, sale or holding of Advanta Corp. stock and the exercise of voting, tender or similar rights with respect to Advanta Corp. stock under the Plan will be treated as confidential. The Plan's recordkeeper and trustee have been instructed not to release this information to any third party or to the Adopting Employers with the following exceptions:

- Nothing will preclude Advanta Corp. from obtaining information concerning the aggregate Advanta Corp. stock holdings of Plan participants.
- If a claim or lawsuit relates to the sale, purchase or holding of Advanta Corp. stock or the exercise of voting, tender or similar rights, Advanta Corp. will be given access to such information so that it can conduct a defense of such claim or action.
- If the information is needed by Advanta Corp. to facilitate the operation and administration of the Plan by the Plan Administrator, the Plan Administrator may

direct the recordkeeper to give Advanta Corp. access to information regarding the purchase, sale or holding of Advanta Corp. stock by a Plan participant.

Additional safeguards are present with regard to the exercise of voting, tender or similar rights. All votes are tabulated by the trustee. Only the aggregate results of the vote are communicated to Advanta Corp. The manner in which an individual Plan participant votes is not communicated to Advanta Corp. absent a claim or lawsuit as described above.

The Plan Administration Committee is the fiduciary responsible for monitoring compliance with these confidentiality procedures. If this committee determines that there is the potential for undue influence by Advanta Corp. with respect to the direct or indirect exercise of shareholder rights, the committee will appoint an independent fiduciary to monitor the confidentiality procedures and to perform any other activities that are related to the exercise of shareholder rights. You may contact the committee at the address or the phone number of the Plan Administrator.

## **XVI. TAX WITHHOLDING ON DISTRIBUTIONS**

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. Please refer to the Plan Special Tax Notice at **Appendix D** for more information. You will also receive additional information from the Plan Administrator at the time of any benefit distribution and you should consult your tax advisor to determine your personal tax situation before taking the distribution.

### **A. DIRECT ROLLOVERS NOT SUBJECT TO TAX**

Any eligible distribution that is directly rolled over to another eligible retirement account (either another qualified retirement plan or an individual retirement account) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be directly rolled over to another eligible retirement account unless the distribution: (1) is part of a series of equal periodic payments made over your lifetime, or over the lifetime of you and your beneficiary, or over a period of 10 years or more; or (2) is a minimum benefit payment which must be paid to you by law. There are other distributions that are not eligible for direct rollover treatment, and you should contact the Plan Administrator if you have questions about a particular distribution.

### **B. 20% WITHHOLDING ON TAXABLE DISTRIBUTIONS**

If you have your benefit paid to you and it's eligible to be rolled over, you only receive 80% of the benefit payment. The Plan Administrator is required to withhold 20% of the benefit payment and remit it to the "Internal Revenue Service" as income tax withholding to be credited against your taxes. If you receive the distribution before you reach age 59½, you may also have to pay an additional 10% tax. You can still rollover all or a part of the 80% distribution that is paid to you by putting it into an IRA or into another qualified retirement plan within 60 days of receiving it. If you want to rollover 100% of the eligible distribution to an IRA or to another qualified retirement plan, you must find other money to replace the

20% that was withheld. You cannot elect out of the 20% withholding (1) unless you are permitted (and elect) to leave your benefit in this Plan, or (2) unless you have 100% of an eligible distribution transferred directly to an IRA or to another qualified retirement plan that accepts rollover contributions.

## **XVII. CLAIMS PROCEDURES**

If you feel that you are entitled to a benefit that you are not receiving from the Plan, you can make a written request to the Plan Administrator (or its delegate) for that benefit. Benefits fall into two categories: Disability related benefits and Non-Disability related benefits. The claims procedure for each benefit is similar, but there are differences. The claims procedure and appeals process for each type of benefit is explained in more detail below.

### **A. CLAIMS FOR NON-DISABILITY BENEFITS**

If you feel that you are entitled to a Non-Disability related benefit that you are not receiving, you can make a written request to the Plan Administrator (or its delegate) for the benefit. If your request is denied, you will be informed by written or electronic notice within 90 days after the Plan Administrator receives your request. This notice will contain the following information: (a) the specific reason or reasons for denial; (b) specific reference to the Plan provisions on which the denial is based; (c) a description of any additional material or information necessary in order to present a thorough appeal and explanation of why such material or information is needed; and (d) an explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal. In addition, if an internal rule, guideline, protocol, or other similar criterion was used in making the adverse determination, the notice must provide either the specific rule, guideline, protocol, or other similar criterion, or a statement that the rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other criterion will be provided to you free of charge upon request; and if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, the notice must provide either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided to you free of charge upon request.

*If the Plan Administrator needs more than 90 days to review your claim for benefits, you will be advised by written or electronic notice within 60 days after the Plan Administrator receives your claim. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an additional 60 days), and the date by which you can expect a decision.*

If you disagree with the Plan Administrator's decision to deny your claim, you can appeal the denial to the Plan Administrator. You must submit this appeal to the Plan Administrator within 60 days after the date that you receive the notice of denial of your initial claim. For purposes of the review, you have the right to (a) submit written comments, documents, records and other information relating to the claim for benefits; (b) request, free of charge,

reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits; and (c) a review that takes into account all comments, documents, records, and other information you submitted relating to the claim, regardless of whether the information was submitted or considered in the initial decision.

Your denied claim will be reviewed by the Plan Administrator and within 60 days after receipt of the request for review you will receive a written or electronic notice of the Plan Administrator's decision. The notice will: (a) provide the specific reason or reasons for denial; (b) refer to the provisions of the Plan on which the denial is based; (c) contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; (d) describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures; and (e) provide a statement of your right to bring a civil action if you disagree with the Plan Administrator's decision on appeal.

*If the Plan Administrator needs more than 60 days to review your denied claim, you will be advised in writing (or electronically) within 60 days after the Plan Administrator receives the request for review. The notice will tell you why the Plan Administrator needs more time (up to an additional 60 days), and the date by which you can expect a decision.*

#### B. CLAIMS FOR DISABILITY RELATED BENEFITS

If you feel that you are entitled to a Disability related benefit that you are not receiving, you can make a written request to the Plan Administrator (or its delegate) for the benefit. If your request is denied, you will be informed by written or electronic notice within 45 days after the Plan Administrator receives your request. This notice will contain the following information: (a) the specific reason or reasons for denial; (b) specific reference to the Plan provisions on which the denial is based; (c) a description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and (d) an explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal. In addition, if an internal rule, guideline, protocol, or other similar criterion was used in making the adverse determination, the notice must provide either the specific rule, guideline, protocol or other similar criterion, or a statement that the rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol or other criterion will be provided to you free of charge upon request; and if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, the notice must provide either an explanation of the scientific or clinical judgment for the determination applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided to you free of charge upon request.

*If the Plan Administrator needs more than 45 days to review your claim for benefits because of matters beyond the Plan Administrator's control, you will be advised by written or electronic notice within 45 days after the Plan Administrator receives your claim. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an*

*additional 30 days) and the date by which you can expect a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that more time is needed to review your claim, then the period for making the determination can be extended for up an additional 30 days if you are notified prior to the expiration of the first 30-day extension period why an extension is needed and the date by which the Plan Administrator expects to render a decision. Any notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.*

If you disagree with the Plan Administrator's decision to deny your claim, you can appeal the denial to the Plan Administrator, who will then appoint an independent party to review your appeal. You must submit this appeal to the Plan Administrator within 180 days after the date that you receive the notice of denial of your initial claim. If your appeal is based, in whole or in part, on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, then the party reviewing your appeal will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. You will also be given the name of any medical or vocational expert whose advice was obtained by the Plan Administrator in connection with the initial denial, even if the advice was not relied upon in denying your claim.

Your denied claim will be reviewed by the Plan Administrator and within 45 days after receipt of the request for review you will receive a written notice of the Plan Administrator's decision. The notice will: (a) provide the specific reason(s) for the denial; (b) refer to the provisions of the Plan on which the denial is based; (c) contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and (d) describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures, and a statement of your right to bring a civil action if you disagree with the Plan Administrator's decision on appeal.

*If the Plan Administrator needs more than 45 days to review your denied claim, you will be advised in writing within 45 days after the Plan Administrator receives the request for review. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an additional 45 days), and the date by which you can expect a decision.*

## **XVIII. OTHER INFORMATION**

### **A. ATTACHMENT OF YOUR ACCOUNT**

Your creditors cannot garnish or levy upon your Account except in the case of a proper Internal Revenue Service tax levy, and you cannot assign or pledge your Account except as collateral for a loan from the Plan or as directed through a Qualified Domestic Relations Order (QDRO) as part of a divorce, child support or similar proceeding in which a court orders that all or part of your Account be transferred to another person (such as your ex-



spouse or your children). The Plan has a procedure for processing QDROs, which you can obtain free of charge from the Plan Administrator.

#### **B. AMENDMENT OR TERMINATION OF THE PLAN**

Although we intend for the Plan to be permanent, we can amend or terminate it at any time. If we do terminate the Plan, all Plan participants will continue to have a 100% Vested Interest in their Accounts as of the Plan termination date, and all Accounts will be available for distribution at the same time and in the same manner as would have been permissible had the Plan not been terminated.

#### **C. ACCOUNTS ARE NOT INSURED**

Your Account is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions of ERISA do not apply to 401(k) plans. For more information on PBGC coverage, ask the Plan Administrator contact the PBGC. Written inquiries to the PBGC should be addressed to: Technical Assistance Division, PBGC, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026. You can also call the PBGC with any questions at (202) 326-4000.

#### **D. PAYMENT OF PLAN EXPENSES**

The Plan routinely incurs expenses for the services of lawyers, actuaries, accountants, third party administrators, and other advisors. Some of these expenses may be paid directly by us while other expenses may be paid from the assets of the Plan. The expenses that are paid from Plan assets will either be shared by all Plan participants or will be charged directly to the Account of the Plan participant on whose sole behalf the expense is incurred. The Plan does not currently charge Plan participants for Plan expenses, however, you should review the prospectus of individual investment options offered through the Plan for information regarding any fund fees that may be charged to your Account.

### **XIX. STATEMENT OF ERISA RIGHTS**

#### **A. YOUR RIGHT TO RECEIVE INFORMATION**

As a Plan participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to: (a) examine without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration; (b) obtain copies (for which the Plan Administrator may require a reasonable charge) of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies; (c) receives summary of the Plan's annual financial report. The Plan Administrator is required

by law to furnish each Plan participant with a copy of this summary annual report; and (d) obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (which is defined elsewhere in this summary plan description) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

#### B. DUTIES OF PLAN FIDUCIARIES

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

#### C. ENFORCEMENT OF RIGHTS

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may: file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

#### D. ACCOUNT STATEMENTS

You will receive statements at least quarterly summarizing your Account activity. These statements will track the contributions made to your Account, your investment gains and losses, and the balances in each investment category. You may also contact Schwab at any time to check your Account value or to request a printed statement.

If you have any questions concerning your statement, contact the Plan Administrator or Schwab. If you find an error on your statement, you must report it to the Plan Administrator within 30 days of the statement issue date for the correction to be made.

#### E. ASSISTANCE WITH YOUR QUESTION

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory (or which can also be found at the Employee Benefits Security Administration Website at [http://www.dol.gov/ebsa/aboutebsa/org\\_chart.html](http://www.dol.gov/ebsa/aboutebsa/org_chart.html)) or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You can call the Employee Benefits Security Administration at (366) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. You may obtain additional pension-related information at the Department of Labor's website at <http://www.dol.gov/ebsa/publications/wyskapr.html> where you can review a publication called "What You Should Know About Your Retirement Plan."

#### F. OTHER ACCOUNT QUESTIONS

Call (800) 724-7526 to talk to a Schwab Representative Monday through Friday, 7:00 a.m. - 11:00 p.m. ET.



**APPENDIX A**

**2009 SAFE HARBOR NOTICE**

Set forth in this Appendix A is the 2009 Safe Harbor Notice for the Advanta Corp. Employee Savings Plan. This information should be read in conjunction with the other information included in the prospectus of which this Appendix is a part, and the other information available from the Plan Administrator.

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS  
COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933**

**APPENDIX B**

**PLAN INVESTMENT POLICY**

Set forth in this Appendix B is the Investment Policy for the Advanta Corp. Employee Savings Plan. This information should be read in conjunction with the other information included in the prospectus of which this Appendix is a part, and the other information available from the Plan Administrator.

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**APPENDIX C  
PLAN FUND INFORMATION**

Set forth in this Appendix C is information concerning each of the investment options under the Advanta Corp. Employee Savings Plan. This information should be read in conjunction with the other information included in the prospectus of which this Appendix is a part, and the other information available from the Plan Administrator.

The information included in this Appendix concerning the Plan's investment options is taken from the respective investment option's current prospectus, which we have no reason to believe is not accurate. The information concerning each such investment option is qualified in its entirety by reference to the prospectus from which the information is taken.

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Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>Schwab Stable Value Fund</i>	Stable Value	This fund's objectives are to maintain principal stability, protect against swings in market value, provide stable and consistent returns and liquidity for withdrawals.	The fund can include guaranteed investment contracts (GICs), issued by high quality insurance companies. GICs are private placements that earn a fixed rate of interest. Repayment of principal is subject to the creditworthiness of the GIC issuer. The portfolio also includes fixed income securities which are referred to as wrapped fixed income investment contracts, and are managed to either a targeted duration, or actively managed to current market conditions. The securities include corporate bonds, mortgage-backed securities, asset-backed securities, and US government securities.
<i>PIMCO Total Return Institutional Fund</i> (PTTRX)	High Intermediate Bond	The investment seeks maximum total return, consistent with preservation of capital and prudent investment management.	The fund mainly invests in public/corporate bonds and securities denominated in foreign (non-Japanese) currencies. It invests primarily in investment-grade debt securities, but may invest up to 10% of total assets in high yield securities ("junk bonds"). The fund may also invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities.
<i>Dodge &amp; Cox Balanced Fund</i> (DODBX)	Moderate Allocation	The investment seeks long-term growth income and conservation of principal.	The fund invests in a diversified portfolio of common stocks, preferred stocks and fixed-income securities. It may invest up to 75% of assets in common stocks and convertible securities. Fixed-income investments typically include investment-grade debt securities. It may invest in government obligations, mortgage- and asset-backed securities, CMOs, and corporate bonds. When selecting securities, management may consider yield to maturity, quality, liquidity, and current yield.
<i>PIMCO Real Return Institutional Fund</i> (PRRIX)	Inflation-Protected Bond	The investment seeks maximum real return.	The fund normally invests at least 80% of net assets in inflation-indexed bonds of varying maturities. It invests primarily in investment grade securities, but may invest up to 10% of total assets in high yield securities ("junk bonds"). The fund may invest all of its assets in derivative instruments.
<i>Vanguard Institutional Index Fund</i> (VINIX)	Large Blend	Seeks to track the performance of a benchmark index that measures the investment return of large-cap stocks.	Utilizes a "passive" or "indexing" investment approach. Attempts to duplicate the investment performance of its index through statistical procedures. Invests in all 500 stocks in the S&P 500 Index in approximately the same proportions as they are represented in the Index.

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>Dodge &amp; Cox Stock Fund 'DODGX'</i>	Large Value	To provide shareholders with an opportunity for long-term growth of principal and income; to achieve a reasonable current income.	Invests primarily in a diversified portfolio of common stocks. Generally, the Fund will invest at least 80% of its total assets in common stocks. The Fund may also purchase other types of securities, for example, preferred stocks and debt securities which are convertible into common stock (or which in the opinion of Dodge & Cox have predominantly common stock investment characteristics). The Fund may also invest up to 20% of its total assets in U.S. dollar-denominated securities of foreign issuers traded in the U.S.
<i>Vanguard International Growth Fund 'Admiral' (VWILX)</i>	Foreign Large Blend	To provide shareholders with an opportunity for long-term capital appreciation.	Invests primarily in a diversified portfolio of common stocks. Generally, invests at least 65% of its total assets in common stocks. The Fund may also purchase other types of securities, such as preferred stocks and debt securities which are convertible into common stock. The Fund may also invest up to 20% of its total assets in U.S. dollar-denominated securities of foreign issuers traded in the U.S.
<i>American Funds – Growth Fund of America Fund 'R5' (RGAFX)</i>	Large Growth	The investment seeks capital growth.	<i>The fund invests primarily in common stocks. Management selects securities that it believes are reasonably priced and represent solid long-term investment opportunities. The fund may invest up to 15% of assets in securities of issuers domiciled outside of the U.S. and Canada, and not included in the S&amp;P 500 Index. It may also invest up to 10% of assets in debt securities rated below investment-grade.</i>
<i>Columbia Mid Cap Value Z Fund (NAMAX)</i>	Mid-Cap Value	The investment seeks to provide long-term growth of capital.	The fund normally invests at least 80% of total assets in equity securities of U.S. companies whose market capitalizations are within the range of the companies found within the Russell MidCap Value index and that are believed to have the potential for long-term growth of capital. Fundamental and quantitative analysis are combined with risk management to identify value opportunities and construct the fund's portfolio. Fundamental research is concerned with three types of value opportunities: 1) companies with below-normalized earnings, 2) cyclical opportunities - companies whose industries are out of favor, and 3) those with unrecognized asset value. The fund may invest up to 20% of total assets in foreign securities. The fund also may invest in real estate investment trusts.

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>Royce Value Plus Service Fund</i> (RYVPPX)	Small Growth	The investment seeks long-term growth of capital.	The fund normally invests at least 80% of assets in equity securities of small-, mid-, and micro-cap companies. Stock selection begins with a bottom-up analysis in order to identify key value and growth characteristics. True to Royce's value orientation, the managers will purchase stocks that they believe are trading significantly below their estimated current worth, (preferably at a 50% discount). Factors analyzed include balance sheet quality and cash flow levels. This fund is different than the typical Royce value fund in that the managers are also looking for growth attributes; giving consideration to those companies that have above-average growth prospects, a long history of earnings, high internal rates of return, and low levels of leverage. The fund may invest up to 25% of its assets in foreign securities.
T. Rowe Price Target Retirement Funds	Target Date	The objectives of the T. Rowe Price Target Retirement funds are to provide the highest total return over time, consistent with an emphasis on both capital growth and income.	The funds invest in a diversified portfolio of underlying T. Rowe Price mutual funds. The funds' objectives are based on three principles: the key consideration is the risk of outliving retirement assets; time horizon should dictate asset allocation; and long-term performance can be enhanced through active management. The target date funds' glide path is designed to emphasize growth during accumulation phases. As retirement nears, the focus shifts to principal preservation, income, and lower risk. Based on the notion that recent retirees have different time horizons than elderly retirees similar to young employees and older employees, equity exposure will continue to decrease into retirement. The managers utilize tactical asset allocation, based on market outlook, with the ability to over- or underweight asset classes by 5%.
<i>Columbia Small Cap Value Z</i> (NSVAX)	Small Value	The investment seeks long-term growth of capital.	The fund normally invests at least 80% of total assets in equity securities of U.S. companies within the range of companies included in the Russell 2000 value index and believed to be undervalued with the potential for long-term growth of capital. Fundamental and quantitative analysis are combined with risk management to identify value opportunities and construct the fund's portfolio. The bottom-up investment process is based on four key components: 1) idea generation, 2) research and analysis, 3) portfolio construction, and 4) monitoring and risk management. Emphasis is on the best value ideas with improving prospects. The fund may invest up to 20% of total assets in foreign securities.

Name of Fund and Symbol	Investment Category	Investment Objectives	Fund Portfolio Summary
<i>Munder Mid Cap Core Growth A Fund</i> (MGOAX)	Mid Growth	The investment seeks long-term capital appreciation.	The fund normally invests at least 80% of assets in the equity securities of mid-capitalization companies. Mid-capitalization companies are those with market capitalizations that fall within the range of companies included in the S&P Mid-Cap 400 Index or the Russell Mid-Cap Index. The investment process is described as "growth at a reasonable price" (GARP), with the aim of outperforming either a pure growth or pure value approach over a complete market cycle. The management team uses a multi-factor model to look for companies with higher than average and consistent earnings growth. Other factors include: valuation levels that are attractive relative to the market; the company's growth rate; and indications of quality (such as financial stability, leadership position within an industry, proven operating earnings results and well regarded management). The fund may invest in exchange-traded funds (ETFs) to manage cash.
<i>Company Stock Fund</i> (ADVNB)	Non-diversified fund consisting of a single stock.	Seeks long term capital growth and reasonable current income.	Invests entirely in Advanta Corp. Class B Common Stock.

\* The funds listed in this chart are the funds available as of October 1, 2008.

\*\*In order to comply with its investment policy or, applicable law, or in response to changing conditions, the Committee has the right to change the investment categories that are offered from time to time. Neither the Committee nor the fund managers of the investment categories guarantee any particular return or that the investment objectives will be met. In addition, the fund managers may change from time to time. None of the investment categories is insured through FDIC.

**APPENDIX D**

**PLAN SPECIAL TAX NOTICE**

Set forth in this Appendix D is a Special Tax Notice Regarding Plan Payments for the Advanta Corp. Employee Savings Plan. This information should be read in conjunction with the other information included in the prospectus of which this Appendix is a part, and the other information available from the Plan Administrator.

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# Exhibit I

**Advanta Corp. Employee Savings Plan**  
**Investment Policy Statement**

<b>Advanta Corp. Employee Savings Plan Investment Policy Statement</b>			
	<b>Description</b>	<b>Committee's Duty</b>	<b>Committee Action</b>
<b>Policy Objective</b>	To offer a broad array of investments that allow participants with various objectives and risk tolerance to build portfolios consistent with their needs and objectives.	To structure investment options for the Plan to meet its objectives. The Committee shall designate those individuals responsible for selecting investment options.	The Committee will review the investment policy once every calendar year.
<b>Selecting Investment Categories</b>	The Committee will select broadly defined investment categories (i.e., bonds, stocks) to be represented by investment options under the Plan.	To select broadly defined investment categories to provide a well diversified array of investment options under the Plan.	The Committee will review investment categories once every calendar year.
<b>Selecting Investment Options</b>	The Committee will select within each investment category, investment options that offer diversification.	To select investment options that offer diversification taking into consideration the generally accepted standards of fiduciary responsibility and the duty to act for the exclusive benefit of the Plan's participants and beneficiaries.	The Committee will review the Plan's investment options periodically.
<b>Monitoring Investment Options</b>	The investment options will be monitored to ensure the investment options meet and maintain the investment policy's objectives. The Committee will add or replace investment options when it deems it is necessary to do so.	To evaluate and monitor investment options taking into consideration strategies, performance and risk characteristics based upon a number of qualitative and quantitative factors to ensure the investment options meet and maintain the investment policy's objectives.	The Committee will periodically review a report detailing the performances of the investment options.
<b>Monitoring Company Stock</b>	The Plan offers Advanta stock as an investment option. As such, the stock will be monitored to ensure the investment option meets and maintains the investment policy's objectives.	To monitor the performance of Advanta stock not for the purpose of recommending levels of Advanta stock for investment in the Plan or for the elimination of Advanta stock as a Plan investment; rather, to ensure Advanta stock is a prudent investment option.	The Committee will review a report prepared by the investment consultant detailing the performance of Advanta's stock periodically.
<b>Reviewing Investment Policy</b>	The Committee reserves the right to review and amend the Policy to ensure the Policy reflects the Plan's objectives and meets the	To review the Policy once every calendar year to ensure it continues to meet the Plan's objectives and the needs of the Plan's	1. Review Policy once every calendar year. 2. Amend Policy, if

	needs of the Plan's participants and beneficiaries.	participants taking into consideration the demographics of the workforce, the growth of the Plan, and the performance of the existing investment options.	necessary.
<b>ERISA Section 404(c) Compliance</b>	The Plan intends to qualify as an ERISA 404(c) Plan which protects fiduciaries for claimed breaches of fiduciary duty where participants incur losses as result of their own investment decisions under the Plan.	To meet ERISA Section 404(c) compliance, the Committee will ensure that the Plan provides participants: (1) the opportunity to exercise control over the assets of their accounts; (2) the opportunity to choose from a broad range of investment alternatives and the manner in which the assets of their accounts are invested; and (3) the actual exercise of control over such assets.	1. Ensure the Plan Administrator provides participants with the required documentation.  2. Ensure participants have the opportunity to exercise independent control with respects to the assets in their individual accounts.
<b>Monitoring Trustee(s)</b>	The Committee will monitor the Plan's Trustee(s) to ensure the Trustee(s) are acting for the exclusive benefit of Plan participants and beneficiaries.	To monitor the activities of the Plan's Trustee(s) to ensure the Trustee(s) are acting for the exclusive benefit of Plan participants and beneficiaries. To remove the Plan's Trustee(s) if the Committee determines based upon objective standards that the Trustee(s) are not acting for the exclusive benefit of Plan participants and beneficiaries.	
<b>Monitoring Independent Investment Advisor(s)</b>	The Committee will monitor the Plan's independent investment advisor to ensure that the independent advisor is acting for the exclusive benefit of Plan participants and beneficiaries.	To monitor the activities of the Plan's independent investment advisor to ensure that the independent investment advisor is acting for the exclusive benefit of Plan participants and beneficiaries.	The Committee will review the Plan's independent investment advisor's performance once each calendar year.

## **Overview of the Plan's Purpose and Objective**

Advanta Corp. (the "Company") sponsors the Advanta Corp. Employee Savings Plan (the "Plan"), a 401(k) profit sharing plan designed to provide a means for employees to save for retirement. The Plan is funded through contributions by the eligible participants and the Company. The Plan is intended to be qualified under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") and is operated in compliance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

### **I. Purpose**

This Investment Policy Statement ("Policy") defines the Plan's investment objectives and establishes policies and procedures so that these objectives can be met in a prudent manner. This Policy is intended to:

- Provide a mechanism to establish and review the Plan's investment objectives;
- Identify those individuals/functions within the Company with responsibility for selecting and reviewing the Plan's investments;
- Designate the investment options available to participants with a clear understanding of the role each investment option performs;
- Identify the criteria that may be considered when selecting the funds and evaluating the funds' continued appropriateness; and
- Provide a single document to ensure that the fiduciary investment and monitoring responsibilities of the Plan are met.

### **II. Roles and Responsibilities**

The Company has appointed a committee, the Advanta Corp. Employee Savings Plan Committee (the "Committee"), to ensure that the investment objectives described above are met. The Committee may designate a subcommittee (hereinafter referred to as the "Investment Committee") to assist the Committee to carry out and to further ensure that the investment objectives described above are met. The Committee believes that the investment policies described herein should be consistent with the interests and investment knowledge of the participants, and the Committee's philosophy. This Policy will attempt to continuously reflect the Committee's best judgment regarding investments, the needs and characteristics of participants, and the Plan's objectives.

Since the Plan permits participants to direct the investment of their account balances, Plan fiduciaries, including the Committee, may be subject to claimed breaches of fiduciary duty in connection with participants' poor investment decisions. Therefore, the Plan is designed to comply with Section 404(c) of ERISA and the regulations issued thereunder, which provide limited protection to fiduciaries when participants make unwise investment decisions. The Committee is charged with the responsibility of ensuring strict adherence to the requirements of Section 404(c) and the relevant regulations, as described in this Policy and the Appendices hereto; including:

- providing sufficient investment choices to reflect the broad range of risk tolerances common among participants in retirement savings plans;

- giving participants the flexibility to alter their investment choices and the direction of their future contributions while benefiting from daily valuation; and
- providing participants with access to current investment information along with education materials and/or programs designed to compare investment options by risk and return characteristics.

**Advanta Corp. Employee Savings Plan Investment Committee**

The Committee is currently comprised of representatives from the Company's Finance Bank Management and Human Resources departments. The Investment Committee is comprised of representatives the Committee deems appropriate to carry out the Committee's objectives. The Committee is responsible for ensuring that the investment objectives described above are met. Thus, the Committee and the Investment Committee's representatives are selected because they occupy key positions and/or possess a strong investment background.

Current representatives hold the positions of:

- Chief Financial Officer;
- President, Advanta Bank Corp.;
- VP, Treasurer;
- VP, Chief Accounting Officer; and
- VP, Human Resources.

The Committee is charged with:

- Establishing, maintaining, and reviewing the Policy;
- Ensuring compliance with ERISA and any other relevant state and federal laws, regulations and rulings that impact the investment process including, but not limited to, Section 404(c) of ERISA;
- Identifying and selecting a blend of well-managed investment options for the Plan that offer an adequate diversification;
- Understanding the relevant performance characteristics of each investment option;
- Monitoring the investment strategies, performance, and risk characteristics of investment options on a quarterly basis;
- Ensuring that each investment option meets and maintains appropriate performance criteria;
- Ensuring that the Company stock is a prudent investment choice;
- Ensuring that fees paid to service providers paid by the Plan and other expenses of the Plan are reasonable;
- Recommending appropriate action if objectives are not being met or if the investment strategy employed by any of the funds is no longer appropriate for the investment option; and
- Monitoring the trustee(s).

The Committee may in its discretion delegate responsibilities to the Investment Committee to assist the Committee in carrying out some or all of the above actions.

### **III. Investment Policies and Objectives**

#### ***Investment Objectives***

Considering the varied attitudes, goals, expectations, investment time horizons, and risk tolerance levels of the Plan's participants, the Plan will offer a broad array of investments across the capitalization and style spectrum that allow participants with various levels of investment knowledge/sophistication to build portfolios consistent with their needs and objectives.

Key considerations in structuring the investment options are:

- Diversification;
- Low expenses and reasonable costs;
- The role each option potentially plays in a participant's investment goals and preferences; and
- The role each option plays in meeting the broad investment objectives of the Plan.

#### ***Investment Categories and Options***

To provide a well-diversified array of investment options, the Plan will offer choices among the three primary asset classes (cash or stable value, bonds, and stocks). Within bond class, there should be additional opportunities to diversify. Within stock class, there should be additional opportunities to diversify by style (ex., growth and value), size (ex., large capitalization and small capitalization) and region (ex. U.S. and international).

The Committee has selected the following broadly defined investment categories to be represented by the investment options under the Plan. (Please note, each underlying investment option is identified by name along with its appropriate benchmark and peer group in Appendix A.)

### **IV. Investment Selection and Monitoring**

#### ***Selecting and Monitoring Diversified Investment Options***

The selection and monitoring of investment options for the Plan will be performed in a manner consistent with generally accepted standards of fiduciary responsibility. All determinations undertaken on behalf of the Plan will be for the sole benefit and in the best interest of the participants and beneficiaries in the Plan.

The Committee considers a number of qualitative factors when selecting and monitoring any investment option, recognizing that:

- Investment styles tend to be cyclical;
- A fund's performance should be evaluated in the context of its market, its investment style and peers, and its role as part of the Plan's investment options;

- Snapshot views of a fund's return can distort performance evaluation. For this reason, rolling, yearly, and average annual returns over one, three, five, and longer time periods, if available, should be evaluated;
- Changes in a manager's investment philosophy, his/her tenure, and his/her company's financial condition may cause an unacceptable level of uncertainty when considering the maintenance of a fund as an investment option under the Plan;
- Low expenses and managing costs provide additional return to participants, and
- Known federal or state investigations into the fund's activities and/or known large scale action litigation against the fund.

The following fund characteristics may be used to evaluate equity portfolios:

- median market capitalization;
- price-to-earnings ratio;
- price-to-book ratio;
- holdings/sector weightings;
- portfolio concentration;
- country allocation; and
- expenses.

The following fund characteristics may be used to evaluate bond, money market and stable value portfolios:

- average maturity;
- average quality;
- quality/sector weightings;
- average duration; and
- expenses.

The Committee may also use the following longer-term or interim qualitative factors:

- fundamental changes in a fund manager's investment philosophy;
- organizational structure of the fund manager (e.g., manager tenure); and
- financial condition of the fund manager (including any significant changes in total assets under management).

No single qualitative or quantitative factor will determine whether an investment option should be added, retained, or eliminated; certain factors, however, may carry more weight than others in the Committee's final analysis.

#### **Replacement of Investment Options**

The Committee evaluates the performance of investment options based upon the criteria discussed above. When determining whether to replace a particular investment option, the Committee will make its decision consistent with generally accepted standards of fiduciary responsibility. All determinations will be made for the sole benefit of participants and beneficiaries in the Plan.



### **Company Stock**

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Advanta Corp. stock is offered as an investment option pursuant to the terms of the Plan. Plan fiduciaries will be responsible for managing the investment of plan assets in company stock according to the Plan document. The Committee will monitor the performance of Advanta stock not for the purpose of recommending levels of Advanta stock investment in the Plan or the elimination of Advanta stock as a Plan investment (as the members may have access to inside information), but to ensure that Advanta stock remains a prudent investment option.

### **V. Review and Amendment of the Policy**

The Committee shall review this Policy once every calendar year to ensure that it continues to reflect the Plan's objectives and meet the needs of the Plan's participants. Changes to this Policy are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets. The criteria used to evaluate this Policy shall include consideration of: (1) demographics of the workforce; (2) growth of the Plan; and (3) performance of existing options. The Committee will communicate any modifications in writing on a timely basis to the Plan's fiduciaries and any other interested parties.

### **VI. ERISA Section 404(c) Compliance**

Fiduciaries of plans which allow participants to direct the investment of their account may be exposed to claimed breaches of fiduciary duty where those participants incur losses as result of their own investment decisions under the Plan. ERISA Section 404(c) protects fiduciaries from those claims to the extent that a plan is structured as an "ERISA Section 404(c) plan." The Plan is designed to meet the requirements of ERISA Section 404(c).

## Appendix A:

## Investment Options

FUND CATEGORY	FUND	STABLE BENCHMARK
Stable Value	T. Rowe Price Stable Value	CitiGroup 3-month T-Bill Index
Intermediate Term Bond	Western Asset Corp.	L/B Agg. Bond
Balanced	Dodge and Cox Balanced	60% S&P 500/ 40% L/B Aggregate
Foreign Large Blend	Vanguard International Growth	EAFE
Large Cap Growth	American Funds Growth Fund	Russell 1000 Growth
Large Cap Blend	Vanguard Index 500	S&P 500
Large Cap Value	Dodge and Cox Stock	Russell 1,000 Value
Mid Cap Growth	Goldman Sachs Growth Opportunities	Russell Mid Cap Growth
Mid Cap Value	JP Morgan Mid Cap Value	Russell Mid Cap Value
Small Cap Growth	Managers Special Equity	Russell 2000 Growth
Small Cap Value	American Beacon Small Cap Value	Russell 2000 Value
	Advanta Class B Common Stock	
	Advanta Class A Common Stock	
	PIMCO Real Return	Lehman Global Real US Tips Index

\* Benchmarks shown represent those appropriate at the time this Investment Policy Statement was drafted. Those benchmarks used are subject to change based upon shift in fund classification.

# Exhibit J

## **Employee Savings 401(k) Plan Investment Supplement for the Quarter Ending December 31, 2006**

You have 13 investment options available to you under the Employee Savings Plan. Below are brief descriptions of each fund. For complete information concerning any of the available investment options, you should read the fund's prospectus. Prospectuses are now conveniently available for each fund online by accessing the Participant Account Link online at [www.401kpal.com](http://www.401kpal.com) (you must log in to see the prospectuses). Alternatively, you may call the respective fund company to request one.

Make changes to your fund selections online at [www.401kpal.com](http://www.401kpal.com) or by telephone (1-888-732-4015) at your convenience, 24 hours a day, and 7 days a week.

On the reverse side of this letter you will find historical performance information for the funds for various periods ending December 31, 2006. For comparison, we have also provided returns of several market indices against which the Plan's funds may be benchmarked.

### **IRS Limits for 2007**

Each year the IRS limits the maximum dollar amount you can contribute to your 401(k) account. For 2007, the maximum amount is \$15,500. If you would like to change your contribution percentage, you must log on to [www.401kpal.com](http://www.401kpal.com) or call the 401(k) Participant Account Link at least 14 days before the beginning of the pay period in which the change is to take effect.

If you are over age 50 or will be turning 50 during 2007, you may be eligible to make additional contributions of up to \$5,000 in excess of the \$15,500 limit in 2007. Please contact the HR Hotline at 1-877-HR1-6175 for more information.

### ***Your Employee Savings Plan Investment Choices***

<b><i>T. Rowe Price Stable Value</i></b>	<b><i>(800) 922-7526</i></b>	<b><i>www.troweprice.com</i></b>
Objective: To provide a competitive yield while maintaining principal stability		
<b><i>PIMCO Real Return Institutional (PRRIX)</i></b>	<b><i>(800) 927-4648</i></b>	<b><i>www.allianzinvestors.com</i></b>
Objective: Seeks real return consistent with preservation of capital.		
<b><i>Western Asset Mgmt Core Portfolio (WATFX)</i></b>	<b><i>(888) 425-6432</i></b>	<b><i>www.westernasset.com</i></b>
Objective: To maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain the average duration specified for the Portfolio		
<b><i>Dodge &amp; Cox Balanced Fund (DODBX)</i></b>	<b><i>(800) 621-3979</i></b>	<b><i>www.dodgeandcox.com</i></b>
Objective: To provide regular income, conservation of principal and an opportunity for long-term growth of principal and income		
<b><i>Vanguard Institutional Index (VINIX)</i></b>	<b><i>(800) 523-1188</i></b>	<b><i>www.vanguard.com</i></b>
Objective: Seeks to track the performance of a benchmark that measures the investment return of large cap stocks		
<b><i>Dodge &amp; Cox Stock (DODGX)</i></b>	<b><i>(800) 621-3979</i></b>	<b><i>www.dodgeandcox.com</i></b>
Objective: To provide an opportunity for long-term growth of principal and income; to achieve a reasonable current income		
<b><i>Vanguard International Growth (VWILX)</i></b>	<b><i>(800) 523-1188</i></b>	<b><i>www.vanguard.com</i></b>
Objective: To provide shareholders with an opportunity for long-term capital growth		
<b><i>JP Morgan Mid Cap Value Class A (JAMCX)</i></b>	<b><i>(800) 348-4782</i></b>	<b><i>www.jpmorgan.com</i></b>
Objective: Seeks long term capital appreciation from mid capitalization stocks.		
<b><i>Goldman Sachs Growth Opportunity Class A (GGOAX)</i></b>	<b><i>(800) 526-7384</i></b>	<b><i>www.gs.com</i></b>
Objective: Seeks long-term growth of capital.		
<b><i>American Beacon Small Cap Value Plan (AVPAX)</i></b>	<b><i>(800) 388-3344</i></b>	<b><i>www.aafunds.com</i></b>
Objective: Seeks long-term capital appreciation and current income using a multi-manager approach that provides exposure to a broad universe of small cap value stocks.		
<b><i>Managers Special Equity Class I (MSEIX)</i></b>	<b><i>(800) 252-0682</i></b>	<b><i>www.managersinvest.com</i></b>
Objective: Seeks capital appreciation.		
<b><i>American Funds Growth Fund R5 (RGAFX)</i></b>	<b><i>(800) 421-0180</i></b>	<b><i>www.americanfunds.com</i></b>
Objective: Seeks to provide long-term growth of capital through a diversified portfolio of common stocks.		
<b><i>Advanta Common Stock Class B (ADVNB)</i></b>	<b><i>(215) 444-5335</i></b>	<b><i>www.Advanta.com</i></b>
The fund invests exclusively in Advanta Corporation Class B Common Stock.		



## Employee Savings Plan

## Performance of Investment Fund Choices

Compared Against Relative Indices for Periods Ending December 31, 2006

Investment Fund/Relative Index	3 month Return	One Year Return	Three Year Annualized	Five Year Annualized	Ten Year Annualized
T. Rowe Price Stable Value	1.13%	4.39%	4.23%	4.51%	5.33%
Lehman Brothers 1-3 Year Govt. Sec.	0.98%	4.12%	2.30%	2.97%	4.79%
PIMCO Real Return Inst	(1.53%)	0.28%	3.97%	7.38%	NA
Lehman Brothers Long Govt/Credit	1.05%	2.72%	5.51%	7.38%	7.72%
Western Assett Core Bond Inst	1.71%	5.84%	4.34%	5.88%	6.83%
Lehman Brothers Aggregate Bond	1.24%	4.33%	3.70%	5.06%	6.24%
Dodge & Cox Balanced	4.92%	13.86%	11.20%	10.68%	11.79%
Lehman Brothers Aggregate Bond	1.24%	4.33%	3.70%	5.06%	6.24%
Vanguard Institutional Index	6.69%	15.79%	10.43%	6.20%	8.47%
S&P 500	6.70%	15.79%	10.44%	6.19%	8.42%
Dodge & Cox Stock	6.54%	18.53%	15.60%	12.84%	14.23%
S&P 500	6.70%	15.79%	10.44%	6.19%	8.42%
Vanguard International Growth Admiral	10.36%	25.95%	20.03%	13.91%	8.14%
MSCI World ex US Ndtr D	10.12%	25.71%	20.10%	15.25%	7.96%
JP Morgan Mid Cap Value Class A	6.18%	16.74%	15.21%	15.35%	NA
Russell Midcap Value	8.50%	20.22%	18.77%	15.88%	13.65%
Goldman Sachs Growth Opp Class A	7.08%	6.14%	8.72%	4.37%	NA
Russell Midcap Growth	6.95%	10.66%	12.73%	8.22%	8.62%
American Beacon Small Cap Value Plan	9.46%	15.36%	14.46%	16.12%	NA
Russell 2000 Value	9.03%	23.48%	16.49%	15.38%	13.27%
Managers Special Equity I	8.66%	12.39%	10.55%	8.48%	9.97%
Russell 2000 Growth	8.77%	13.35%	10.51%	6.93%	4.88%
American Funds Growth R5	6.51%	11.24%	12.66%	8.29%	13.09%
Russell 1000 Growth	5.93%	9.07%	6.87%	2.69%	5.44%
Advanta Common Stock Class A	17.82%	34.62%	47.84%	34.52%	NA
Advanta Common Stock Class B	18.93%	37.27%	53.52%	39.82%	NA

These investment fund performance results represent total returns including the reinvestment of any dividends and capital gain distributions, and are net of operating fees and expenses. Your actual investment results may differ from the reported fund performance figures due to the timing of the cash flows within the Plan.

The market indices shown below each fund's performance represent unmanaged or average returns on various financial assets and may be compared to the Plan's funds for the purpose of measuring relative performance. The indices do not reflect fees or expenses. Remember past investment performance does not guarantee future results. Investment returns and principal can fluctuate. The prospectuses for the funds contain more complete information, including fees, expenses, and risks. You should carefully read the prospectus before investing.